

STATE BONDING FUND

PERFORMANCE REPORT FOR DECEMBER 2001

2/7/2002

Assets as of December 31, 2001				* RATES OF TOTAL RETURN					
	EMV \$(000)	Actual Alloc	Policy Alloc	Quarter Ended				2002 FYTD	Year Ended 6/30/2001
				Dec-01	Sep-01	Jun-01	Mar-01		
LARGE CAP EQUITY									
Value									
LSV	117	2.4%	2.3%	8.71%	-9.12%	8.10%	-0.57%	-1.20%	28.80%
RUSSELL 1000 VALUE				7.37%	-10.95%	4.88%	-5.86%	-4.39%	10.33%
Growth									
Alliance Capital	120	2.4%	2.3%	15.88%	-20.51%	10.03%	-20.15%	-7.89%	-30.23%
RUSSELL 1000 GROWTH				15.14%	-19.41%	8.42%	-20.90%	-7.21%	-36.18%
Core									
State Street	549	11.1%	10.5%	10.67%	-14.68%	5.81%	-11.93%	-5.58%	-15.00%
S&P 500				10.69%	-14.68%	5.85%	-11.86%	-5.56%	-14.83%
TOTAL LARGE CAP DOM. EQUITY	786	15.9%	15.0%	11.16%	-14.82%	6.91%	-11.64%	-5.31%	-9.87%
S&P 500				10.69%	-14.68%	5.85%	-11.86%	-5.56%	-14.83%
SMALL CAP EQUITY									
SEI Investments	275	5.6%	5.0%	20.09%	-20.00%	N/A	N/A	-3.93%	N/A
RUSSELL 2000 + 200 bp				21.26%	-20.62%	N/A	N/A	-3.75%	N/A
TOTAL SMALL CAP DOM. EQUITY	275	5.6%	5.0%	20.09%	-19.93%	14.24%	-9.39%	-3.84%	-4.21%
RUSSELL 2000				21.09%	-20.79%	14.29%	-6.51%	-4.08%	0.57%
CONVERTIBLES									
Trust Company of the West	522	10.6%	10.0%	12.40%	-15.83%	4.74%	-10.11%	-5.39%	-15.57%
F.B. CONVERTIBLE SECURITIES INDEX				7.67%	-11.01%	4.12%	-6.24%	-4.18%	-11.87%
INTERNATIONAL EQUITY - Core									
Capital Guardian	521	10.5%	10.0%	14.00%	-17.63%	0.94%	-8.89%	-6.10%	-24.42%
MSCI 50% HEDGED EAFE INDEX (1)				8.60%	-16.41%	0.15%	-10.44%	-9.22%	-20.41%
FIXED INCOME									
Core - Index									
Bank of North Dakota	1,020	20.6%	22.5%	0.02%	4.93%	0.31%	3.29%	4.95%	11.02%
LB GOVT/CORP				0.06%	4.76%	0.30%	3.20%	4.82%	11.13%
Core Bond									
Western Asset	1,318	26.7%	27.5%	-0.16%	4.76%	1.18%	3.42%	4.59%	12.62%
LB AGGREGATE				0.05%	4.61%	0.56%	3.03%	4.66%	11.22%
TOTAL FIXED INCOME	2,337	47.3%	50.0%	-0.08%	4.83%	0.80%	3.36%	4.75%	11.92%
LB GOVT/CORP				0.06%	4.76%	0.30%	3.20%	4.82%	11.13%
CASH EQUIVALENTS									
BND - Money Market Account	501	10.1%	10.0%	0.55%	0.90%	1.00%	1.40%	1.45%	5.85%
90 DAY T-BILLS				0.64%	1.08%	1.12%	1.51%	1.73%	5.90%
TOTAL FUND	4,941	100.0%	100.0%	5.06%	-4.36%	2.76%	-2.32%	0.47%	0.43%
POLICY TARGET BENCHMARK				4.38%	-3.50%	2.28%	-2.02%	0.73%	0.44%
TOTAL VALUE ADDED DUE TO									
Asset Mix				-0.28%	-0.22%	-0.29%	-0.08%	-0.50%	-0.06%
Active Management				0.93%	-0.68%	0.76%	-0.22%	0.25%	0.05%
Total Value Added				0.65%	-0.90%	0.47%	-0.30%	-0.25%	-0.01%

(1) Prior to October 1, 2000, the benchmark for this asset class was the MSCI *Unhedged* EAFE Index.

* NOTE: Monthly returns and market values are preliminary and subject to change.
Returns are net of management fees.